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LOK SABHA

The following Bill was introduced in Lok Sabha on the 3rd March, 1958:—

*BILL NO. 11 OF 1958

A Bill to regulate the rice-milling industry in the interests of the general public.

BE it enacted by Parliament in the Ninth Year of the Republic of India as follows:—

1. (1) This Act may be called the Rice-Milling Industry (Regulation) Act, 1958.

Short title
extent and
commence-
ment.

5 (2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. It is hereby declared that it is expedient in the public interest that the Union should take under its control the rice-milling industry.

Declaration
as to expedi-
ency of
control by
the Union.
Definitions.

3. In this Act, unless the context otherwise requires,—

15 (a) “defunct rice mill” means a rice mill in existence at the commencement of this Act but in which rice-milling operations have not been carried on for a period exceeding one year prior to such commencement;

(b) “existing rice mill” means a rice mill carrying on rice-milling operations at the commencement of this Act, and includes a rice mill in existence at such commencement which

*The President has, in pursuance of clause (3) of article 117 of the Constitution of India, recommended to Lok Sabha the consideration of the Bill.

is not carrying on rice-milling operations but in which rice-milling operations have been carried on at any time within a period of one year prior to such commencement;

(c) "licensing officer" means an officer appointed as such under section 4;

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(d) "milling rice", with its grammatical variations means recovering rice or any product thereof from paddy with the aid of power;

(e) "new rice mill" means a rice mill other than an existing rice mill or a defunct rice mill;

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(f) "notified order" means an order notified in the Official Gazette;

(g) "owner", in relation to a rice mill, means the person who, or the authority which, has the ultimate control over the affairs of the rice mill, and where the said affairs are entrusted to a manager, managing director or managing agent, such manager, managing director or managing agent shall be deemed to be the owner of the rice mill;

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(h) "prescribed" means prescribed by rules made under this Act;

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(i) "rice mill" means the plant and machinery with which, and the premises, including the precincts thereof, in which or in any part of which, rice-milling operation is carried on.

Appointment
of licensing
officers.

4. The Central Government may, by notified order,—

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(a) appoint such persons, being gazetted officers of Government, as it thinks fit to be licensing officers for the purpose of this Act; and

(b) define the limits within which a licensing officer shall exercise the powers conferred on licensing officers by or under this Act.

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Grant of
permits in
respect of
new or
defunct rice
mills.

5. (1) Any person or authority may make an application to the Central Government for the grant of a permit for the establishment of a new rice mill; and any owner of a defunct rice mill may make a like application for the grant of a permit for recommencing rice-milling operation in such mill.

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(2) Every application under sub-section (1) shall be made in the prescribed form and shall contain the particulars regarding the location of the rice mill, the size and type thereof and such other particulars as may be prescribed.

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(3) If, on receipt of any such application for the grant of a permit, the Central Government is of opinion that it is necessary

so to do for ensuring adequate supply of rice, it may, subject to the provisions of sub-section (4) and sub-section (5), grant the permit specifying therein the period within which the mill is to be established or, as the case may be, the mill is to recommence rice-milling operation and such other conditions as it may think fit to impose, in accordance with the rules, if any, made in this behalf.

(4) Before granting any permit under sub-section (3), the Central Government shall cause a full and complete investigation to be made in the prescribed manner in respect of the application and shall have due regard to—

- (a) the number of rice mills operating in the locality;
- (b) the availability of paddy in the locality;
- (c) the availability of power and water supply for the rice mill in respect of which a permit is applied for;
- (d) whether the rice mill in respect of which a permit is applied for will be of the huller type, sheller type or combined sheller-huller type;
- (e) whether the functioning of the rice mill in respect of which a permit is applied for would cause substantial unemployment in the locality;
- (f) such other particulars as may be prescribed.

(5) In granting a permit under this section, the Central Government shall give preference to a defunct rice mill over a new rice mill.

(6) A permit granted under this section shall be effective for the period specified therein or for such extended period as the Central Government may think fit to allow in any case.

6. (1) Any owner of an existing rice mill or of a rice mill in respect of which a permit has been granted under section 5 may make an application to the licensing officer for the grant of a licence for carrying on rice-milling operation in that rice mill.

(2) Every application under sub-section (1) shall be made in the prescribed form and shall contain the particulars regarding the location of the rice mill, the size and type thereof and such other particulars as may be prescribed.

(3) On receipt of any such application for the grant of a licence, the licensing officer shall grant the licence on such conditions (including, in particular, conditions relating to the polishing of rice), on payment of such fees and on the deposit of such sum, if any, as security for the due performance of the conditions as may be prescribed.

Grant of
licences.

(4) A licence granted under this section shall be valid for the period specified therein and may be renewed from time to time for such period and on payment of such fees and on such conditions as may be prescribed.

Revocation,
suspension
and
amendment
of licences.

7. (1) If the licensing officer is satisfied, either on a reference 5 made to him in this behalf or otherwise, that—

(a) a licence granted under section 6 has been obtained by misrepresentation as to an essential fact, or

(b) the holder of a licence has, without reasonable cause, failed to comply with the conditions subject to which the 10 licence has been granted or has contravened any of the provisions of this Act or the rules made thereunder,

then, without prejudice to any other penalty to which the holder of the licence may be liable under this Act, the licensing officer may, after giving the holder of the licence an opportunity of 15 showing cause, revoke or suspend the licence or forfeit the sum, if any, or any portion thereof deposited as security for the due performance of the conditions subject to which the licence has been granted.

(2) Subject to any rules that may be made in this behalf, the 20 licensing officer may also vary or amend a licence granted under section 6.

Certain
restrictions
on rice
mills.

8. (1) No person or authority shall, after the commencement of this Act, establish any new rice mill except under and in accordance with a permit granted under section 5. 25

(2) No owner of a rice mill shall, after the commencement of this Act, carry on rice-milling operation except under and in accordance with a licence granted under section 6:

Provided that nothing in this sub-section shall apply to an existing rice mill for such period as may be specified in this behalf 30 by the Central Government by notified order.

(3) No owner of a rice mill,—

(a) in respect of which a licence has been granted under section 6, shall carry on rice-milling operation in that mill after the expiry of the period of the validity of the licence; 35

(b) in respect of which the licence has been revoked or suspended under section 7, shall carry on rice-milling operation in that mill after the revocation or, as the case may be, during the period for which the licence has been suspended;

(c) shall, without the previous permission of the Central Government, change the location of the whole or any part of the rice mill in respect of which a licence has been granted under section 6;

5 (d) shall, after the commencement of this Act, effect any expansion of the rice mill except with the previous permission of the Central Government:

10 Provided that no such permission shall be necessary for the replacement of any parts of the machinery of the rice mill where such replacement does not result in an increase in the productive capacity of the rice mill.

Explanation.—For the purposes of clause (a) of this sub-section, the period of the validity of a licence shall not be deemed to have expired, if an application for its renewal is pending before the licensing officer.

9. (1) For the purpose of ascertaining the position or examining the working of any rice mill or for any other purpose mentioned in this Act or the rules made thereunder, the licensing officer or any person authorised by the Central Government in this behalf shall have the right—

(a) to enter and inspect any rice mill;

(b) to order the production of any document, book, register or record in the possession or power of any person having the control of, or employed in connection with, any rice mill; and

25 (c) to examine any person having the control of, or employed in connection with, any rice mill.

10. If, for the purposes of this Act, any question arises as to whether—

(a) there has been an expansion of a rice mill, or

30 (b) the replacement of any parts of the machinery of a rice mill has resulted in an increase in the productive capacity of the rice mill,

the Central Government may, after giving the owner of the rice mill an opportunity of being heard, decide the question and the decision of the Central Government thereon shall be final.

11. Every owner of a rice mill shall furnish to the Central Government such returns relating to the affairs of the rice mill and in such forms as may be prescribed,

Power of inspection.

Decision of Central Government final respecting certain matters.

Returns.

Appeals.

12. (1) Any person aggrieved by a decision of a licensing officer under section 6 or section 7 may, within thirty days from the date on which the decision is communicated to him, prefer an appeal to an appellate officer who shall be a person nominated in this behalf by the Central Government: 5

Provided that the appellate officer may entertain the appeal after the expiry of the said period of thirty days, if he is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) On receipt of an appeal under sub-section (1), the appellate officer shall, after giving the appellant an opportunity of being heard, dispose of the appeal as expeditiously as possible. 10

Penalties.

13. (1) If any person contravenes or attempts to contravene or abets the contravention of any of the provisions of section 8 or sub-section (2) of section 18, he shall be punishable with imprisonment 15 for a term which may extend to six months, or with fine which may extend to five thousand rupees, or with both, and in the case of a continuing contravention, with an additional fine which may extend to five hundred rupees for every day during which such contravention continues after conviction for the first such contravention. 20

(2) If any person,—

(a) when required by this Act or by any order under this Act to make any statement or furnish any information, makes any statement or furnishes any information which is false in any material particular and which he knows or has reason to believe 25 to be false or does not believe to be true, or

(b) makes any such statement as aforesaid in any book, account, record, declaration, return or other document which he is required to maintain or furnish under this Act, or

(c) contravenes any rule the contravention of which is made 30 punishable under this sub-section,

he shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to two thousand rupees, or with both.

**Offences
by
companies.**

14. (1) If the person committing an offence under this Act is a 35 company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against any punished accordingly: 40

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) "company" means any body corporate, and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

15. No court shall take cognizance of any offence punishable under this Act except on a report in writing of the facts constituting such offence made by the licensing officer or any person duly authorised by the Central Government or the licensing officer in this behalf.

16. No court inferior to that of a presidency magistrate or a magistrate of the first class shall try any offence punishable under this Act.

17. Notwithstanding anything contained in section 32 of the Code of Criminal Procedure, 1898, it shall be lawful for any magistrate of the first class or for any presidency magistrate to pass a sentence of fine exceeding two thousand rupees on any person convicted of any offence under this Act.

18. (1) If the Central Government is of opinion, having regard to the necessity for ensuring an adequate supply of rice in any area or to the conditions prevailing therein, that it would not be in the public interest to apply all or any of the provisions of this Act to the rice mills or to any class of rice mills in that area, it may, by notified order, exempt for such period and subject to such conditions as it may think fit to impose, all the rice mills or such class of rice mills in that area as it may specify in the order from the operation of all or any of the provisions of this Act or of any rule or order made thereunder.

(2) Where any notified order under sub-section (1) granting an exemption is cancelled, no owner of a rice mill shall carry on rice-milling operation in that rice mill after the expiry of such period as may be specified in the order cancelling the exemption, except under and in accordance with a licence granted to him under section 6. 5

Delegation
of powers

19. The Central Government may, by notified order, direct that any power exercisable by it under this Act shall, in relation to such matters and subject to such conditions, if any, as may be specified in the direction, be exercisable also by—

(a) such officer or authority subordinate to the Central Government, or 10

(b) such State Government or such officer or authority subordinate to a State Government, 1

as may be specified in the direction.

Licensing
officers, etc.,
to be public
servants.

20. The licensing officers and every person duly authorised to 15 discharge any duties imposed on him by this Act shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code. 45 of 1

Protection
of action
taken under
the Act.

21. (1) No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or 20 intended to be done in pursuance of this Act or any rule or order made thereunder.

(2) No suit or other legal proceeding shall lie against the Government for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of 25 this Act or any rule or order made thereunder.

Power to
make rules.

22. (1) The Central Government may, subject to the condition of previous publication, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the 30 foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form of application for the grant of a permit under section 5 and the particulars it may contain;

(b) the manner in which an investigation is to be made in 35 respect of an application for a permit and the matters to be taken into account in granting or refusing a permit;

(c) the form of application for the grant or renewal of a licence in respect of a rice mill and the particulars it may contain;

5 (d) the form of a licence which may be granted or renewed under section 6 and the conditions subject to which the licence may be granted or renewed, including conditions relating to the polishing of rice, the fees to be levied for the grant or renewal of a licence and the deposit of any sum as security for the performance of such conditions;

10 (e) the circumstances under which licences may be varied or amended under sub-section (2) of section 7;

15 (f) the submission of returns relating to a rice mill by the owner and the forms in which, and the authorities to which, such returns may be submitted; and the collection of any information or statistics in relation to rice mills;

(g) the form and manner in which appeals may be filed under section 12 and the procedure to be followed by appellate officers in disposing of the appeals;

20 (h) any other matter which has to be, or may be, prescribed under this Act.

(3) Any rule made under this section may provide that a contravention thereof shall be punishable under sub-section (2) of section 13.

25 (4) All rules made under this section shall be laid for not less than thirty days before each House of Parliament as soon as possible after they are made and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

23. The provisions of this Act shall be in addition to, and not in 30 derogation of, any other Central Act for the time being in force.

Applica-
tion of
other laws
not barred.

24. The provisions of this Act shall not apply to any rice mill owned by Government.

Act not to
apply to
rice mills
owned by
Government.

25. (1) If, immediately before the commencement of this Act, there is in force in any State to which this Act extends any law or 35 order relating to the regulation or control of rice mills in that State, that law or order shall stand repealed.

Repeal and
savings.

(2) Notwithstanding such repeal, any certificate of registration, permit or licence granted in respect of any existing rice mill, under any such law or order hereby repealed and in force immediately before the commencement of this Act, shall continue to be in force for such period as may be allowed under the proviso to sub-section (2) of section 8 for the licensing of such rice mill under the provisions of this Act, and for the removal of doubts, it is hereby declared that the provisions of section 6 of the General Clauses Act, 1897, shall apply in relation to such repeal, as they apply in relation to the repeal of an enactment by a Central Act.

5
10 of 1897.

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STATEMENT OF OBJECTS AND REASONS

It is necessary, in the general interest, to regulate the working of rice mills in such a manner that while, on the one hand, the hand-pounding industry gets reasonable facilities for development and employment is provided for the rural population, on the other, requisite facilities for conversion of paddy into rice are not curtailed, particularly at a time when efforts are being made to increase appreciably the production of paddy in the country. With this object in view, it is considered that the working of rice mills be regulated by the issue of licences, and the setting up of new rice mills, or the expansion of the existing rice mills, be prohibited without the specific permission of the Government. The Bill aims at the achievement of these objectives as also to provide for certain other matters connected with the functioning of the rice mills.

AJIT PRASAD JAIN.

NEW DELHI;

The 17th February, 1958.

FINANCIAL MEMORANDUM

Clause 4 of the Bill contemplates appointment of certain licensing officers for granting licences in respect of rice mills and clause 12 of the Bill contemplates appointment of certain appellate officers for hearing appeals against the decisions of licensing officers. It is intended that the functions of licensing officers and appellate officers would be performed by the existing officers of the Central Government and State Governments. The Bill, when enacted and brought into operation, would not, therefore, involve any appreciable additional expenditure. Moreover, the Government would derive some small revenue in the shape of fees for granting licences and additional expenditure, if any, on account of this piece of legislation will be nominal.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 22 of the Bill empowers the Central Government to make rules in respect of matters specified therein. They relate *inter alia* to the form of application for the grant of permits and licences, the manner in which an investigation is to be made under this Act, the fees which may be levied for the grant or renewal of a licence, the conditions subject to which licences may be granted, the returns which have to be submitted by the owners of rice mills and the form and the manner in which appeals may be preferred and disposed of. The matters in respect of which rules may be made are of a routine and administrative character. Moreover, the rules shall be subject to the scrutiny of Parliament. The delegation of legislative power is thus of a normal character.

M. N. KAUL,
Secretary

